



RULE-MAKING ORDER

CR-103 (June 2004)
(Implements RCW 34.05.360)

Agency: Department of Revenue

☒ **Permanent Rule**
☐ **Emergency Rule**

Effective date of rule:

Permanent Rules

☒ 31 days after filing.
☐ Other (specify) _____ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Effective date of rule:

Emergency Rules

☐ Immediately upon filing.
☐ Later (specify)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

☐ Yes ☒ No If Yes, explain:

Purpose: Rule 186 provides tax-reporting information to persons who sell, use, consume, handle, possess, or distribute cigarettes. The rule explains who is liable for the tax, how and when the cigarette tax imposed by chapter 82.24 RCW is to be paid, and the record keeping requirements. Rule 18601 explains the application process for wholesale and retail cigarette vendor licenses. It includes references to statutory fees, bonding requirements, and explains the conditions for and process of application for a reinstatement of a license following a revocation under the Administrative Procedure Act.

Rule 186 has been revised to update existing information and incorporate legislative amendments to chapter 82.24 RCW. Information from Rule 18601 has been updated and consolidated into Rule 186. Rule 186 clarifies that cigarette wholesalers may sell only to licensed retailers and must post the statutory bond prior to commencing sales and that retailers may purchase only from licensed wholesalers. It also explains the responsibilities of persons making "delivery sales" into this state, as codified in chapter 70.155 RCW.

Citation of existing rules affected by this order:

Repealed: WAC 458-20-18601 Wholesale and retail cigarette vendor licenses.

Amended: WAC 458-20-186 Tax on cigarettes.

Suspended:

Statutory authority for adoption: RCW 82.24.235, 82.32.300, and 82.01.060(1)

Other authority :

PERMANENT RULE ONLY (Including Expedited Rule Making)

Adopted under notice filed as WSR 04-14-061 on July 1, 2004 (date).

Describe any changes other than editing from proposed to adopted version: **The subsections have been renumbered and minor editing changes made to present the information in a more user-friendly manner.**

Language has been added to subsection 204(d)(i) to allow licensed wholesalers to hold unstamped cigarettes in this state longer than 72 hours, if they first obtain permission from the Department.

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting: **An analysis was not prepared.**

Name: _____ phone _____

Address: _____ fax _____

e-mail _____

EMERGENCY RULE ONLY

Under RCW 34.05.350 the agency for good cause finds:

☐ That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.

☐ That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

Reasons for this finding:

Date adopted:

Name (type or print)

Janis P. Bianchi

Signature

Title Manager

Interpretations and Technical Advice Unit

CODE REVISER USE ONLY

Filed: December 30, 2004

Time: 11:00 AM

WSR: 05-02-035

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	Amended	Repealed
Federal rules or standards:	New	Amended	Repealed
Recently enacted state statutes:	New	Amended	Repealed

The number of sections adopted at the request of a nongovernmental entity:

New	Amended	Repealed
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The number of sections adopted in the agency's own initiative:

New	Amended	1	Repealed	1
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	Amended	Repealed
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The number of sections adopted using:

Negotiated rule making:	New	Amended	Repealed		
Pilot rule making:	New	Amended	Repealed		
Other alternative rule making:	New	Amended	1	Repealed	1